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*Attorneys for Propel Trampolines LLC*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

SEARS HOLDING CORPORATION, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 18-23538 (RDD)

**NOTICE OF RECLAMATION CLAIM**

**PLEASE TAKE NOTICE** that Propel Trampolines LLC (“Propel”), by and through its undersigned counsel, files this Notice of Reclamation Claim pursuant to 11 U.S.C. § 546(c), section 2-702 of the Uniform Commercial Code, and other applicable non-bankruptcy law,

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

on the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) to reclaim certain goods (the “Goods”).

The Goods were sold by Propel in the ordinary course of business and delivered to the Debtors in the forty-five (45) days prior to the commencement of the Debtors’ bankruptcy proceedings on October 15, 2018 (the “Petition Date”). Propel is informed and believes the Debtors were insolvent at the time they received delivery of the Goods. Propel incorporates by reference, and attaches as Exhibit A, a copy of the written demand for reclamation and list of invoices and related information for the Goods (the “Reclamation Demand”). Pursuant to 11 U.S.C. § 546(c), Propel served the Reclamation Demand on the Debtors and the Debtors’ attorney of record on November 1, 2018.

**PLEASE TAKE FURTHER NOTICE** that Propel reserves all of its rights with respect to the Goods, including, without limitation, (i) its right to be paid in the ordinary course of business as a post-petition creditor of the Debtors to the extent the Goods were delivered to the Debtors on or after October 15, 2018; (ii) its right to assert a 20-day administrative priority claim pursuant to 11 U.S.C. § 503(b)(9); (iii) its right to assert a “new value” defense to any preference demand pursuant to 11 U.S.C. § 547(c)(4); (iv) its right to demand payment of any portion of this invoice as a “cure” payment in connection with the Debtors’ assumption of any executory contract, if any, pursuant to 11 U.S.C. § 365; (v) its right to seek payment of its prepetition invoices from any non-debtor parties that are co-obligors; (vi) its right to file additional demands or claims, including without limitation, a proof of claim; and (vii) its right to assert any other rights under applicable law. By filing this Notice, Propel does not consent to entry of final orders of the bankruptcy court on non-core issue and claims, and does not waive any jurisdictional defenses and reserves its rights to amend this Notice.

Dated: November 1, 2018  
Salt Lake City, Utah

Respectfully submitted,

/s/ George Hofmann

George Hofmann

COHNE KINGHORN, P.C.

111 East Broadway, 11th Floor

Salt Lake City, Utah 84111

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*Attorneys for Propel Trampolines LLC*



November 1, 2018

**BY OVERNIGHT DELIVERY AND EMAIL**

Ray C. Schrock (ray.schrock@weil.com)  
Jacqueline Marcus (jacqueline.marcus@weil.com)  
Weil Gotshal & Manges LLP  
767 5th Avenue  
New York, New York 10153

**By OVERNIGHT DELIVERY**

Sears Holding Corporation  
3333 Beverly Road  
Hoffman Estates, Illinois 60179  
Attn: General Counsel

Re: *In re Sears Holding Corporation, et al.*, 18-23538 (RDD) (Bankr. S.D.N.Y.)  
Demand for Reclamation Pursuant to 11 U.S.C. § 546

To Whom It May Concern:

Propel Trampolines LLC ("Propel") has recently learned that Sears Holding Corporation and certain of its affiliates (the "Debtors") filed a voluntary petition for bankruptcy under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") on October 15, 2018. As you probably know, Propel holds certain claims against the Debtors for failure to make payments for goods shipped.

Section 546(c) of the Bankruptcy Code expressly preserves any statutory or common law right of a seller of goods to reclaim those goods that Propel sold to the Debtors and delivered within forty-five days of October 15, 2018 (the "Reclamation Period").

Therefore, in accordance with the applicable state codification of U.C.C. § 2-702(2), a rendered applicable to the Debtors' bankruptcy proceedings by operation of

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Sears Holding Corporation  
November 1, 2018  
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11 U.S.C. § 546(c) Propel hereby makes written demand to reclaim all goods which have been sold by Propel in the ordinary course of business and received by the Debtors during the Reclamation Period (collectively the "Goods"). Attached hereto as Schedule A and made a part hereof is a list of invoices relating to the Goods which have been received by the Debtors during the applicable period, totaling \$424,538.80.

Propel further requests that the Debtors immediately segregate all of the Goods that Propel has delivered to the Debtors or allow Propel to take an inventory of the merchandise Propel has delivered to the Debtors for purposes of determining the Goods subject to reclamation. Please take notice that these Goods are not to be sold, used or otherwise transferred except with our written consent or by order of the court of competent jurisdiction entered upon prior written notice to Propel.

Please be advised that this letter is not a demand for payment of the Debtors' pre-petition indebtedness to Propel, nor is it in any fashion a violation of the automatic stay provided for in 11 U.S.C. § 362. It is intended to be in the nature of the type of notice provided for in 11 U.S.C. § 546(c). This notice does not waive any rights that the Propel has under 11 U.S.C. § 503(b)(9). Propel reserves all other rights, claims, remedies, defenses, and offsets to the fullest extent.

Very truly yours,

COHNE KINGHORN, P.C.

A handwritten signature in blue ink, appearing to read 'George Hofmann', written over a horizontal line.

GEORGE HOFMANN

GBH  
Enclosure

**PROPEL TRAMPOLINES LLC**

**Open Invoices for Kmart, Sears, and Sears Online**

Through October 24, 2018

	P. O. #	Invoice # or ID #	Due Date	Amount Due
<b>Kmart</b>				
	08287244443	K-244443	11/1/2018	4,512.00
	08275302693	K-302693	11/1/2018	5,376.00
	08289238366	K-238366	11/1/2018	4,800.00
	08305223639	K-223639	11/1/2018	4,032.00
	08273672030	K-672030	11/1/2018	3,648.00
	08292259742	K-259742	11/1/2018	9,600.00
	08292259436	K-259436	11/1/2018	31,590.00
	08275302368	K-302368	11/1/2018	31,590.00
	08289238069	K-238069	11/1/2018	31,590.00
	08287244122	K-244122	11/4/2018	31,590.00
	08292264077	K-264077	11/23/2018	182.40
	08275307265	K-307265	11/23/2018	8,572.80
	08305227914	K-227914	11/23/2018	592.80
	08289242606	K-242606	11/26/2018	2,599.20
	08292264078	K-264078	12/1/2018	31,590.00
	08292264079	K-264079	12/1/2018	31,590.00
	08292264080	K-264080	12/1/2018	20,169.00
	08292264079	K-264079B	12/1/2018	5,710.50
	08292264078	K-264078B	12/1/2018	5,710.50
	08275307266	K-307266A	12/3/2018	3,182.40
	08275307266	K-307266	12/4/2018	41,371.20
	08287248840	K-248840	12/4/2018	8,572.80
<b>Kmart Total Amount Outstanding</b>				<b>318,171.60</b>
<b>Sears</b>				
	547766	S-547766	11/1/2018	41,371.20
	557779	S-557779	12/1/2018	31,590.00
	557778	S-557778	12/2/2018	29,889.00
<b>Sears Total Amount Outstanding</b>				<b>102,850.20</b>
<b>Sears Online</b>				
	275983122	11408442	10/30/2018	47.00
	276005439	11416480	10/30/2018	47.00
	276044910	11429299	10/31/2018	47.00
	276050493	11431462	10/31/2018	47.00
	276050493	11431462	10/31/2018	47.00
	276165117	11455795	11/1/2018	20.00
	276173253	11457070	11/1/2018	47.00
	276341523	11490095	11/2/2018	47.00
	276379740	11495600	11/2/2018	14.00
	276397146	11498865	11/2/2018	47.00
	276410745	11501606	11/2/2018	16.00
	276421845	11503247	11/3/2018	47.00
	276600144	11546669	11/3/2018	10.00
	276738567	11562462	11/4/2018	60.00

**PROPEL TRAMPOLINES LLC****Open Invoices for Kmart, Sears, and Sears Online**

Through October 24, 2018

	<b>P. O. #</b>	<b>Invoice # or ID #</b>	<b>Due Date</b>	<b>Amount Due</b>
	276820281	11600027	11/4/2018	10.00
	276822561	11600135	11/4/2018	47.00
	276818100	11600254	11/4/2018	47.00
	276818100	11600254	11/4/2018	47.00
	276902406	11633079	11/5/2018	10.00
	276902406	11633079	11/5/2018	47.00
	277052049	11693949	11/7/2018	30.00
	277095309	11705901	11/7/2018	47.00
	277125681	11713823	11/7/2018	14.00
	277125681	11713823	11/7/2018	16.00
	277125681	11713823	11/7/2018	47.00
	277281087	11746987	11/9/2018	47.00
	277292445	11748343	11/9/2018	10.00
	277320633	11754244	11/9/2018	47.00
	277507854	11855071	11/11/2018	47.00
	277507857	11855162	11/11/2018	47.00
	277626207	11912325	11/12/2018	47.00
	277795734	11946768	11/12/2018	10.00
	277795734	11946768	11/12/2018	47.00
	278086419	12035488	11/15/2018	47.00
	278121231	12047900	11/15/2018	47.00
	278127750	12049589	11/15/2018	20.00
	278127750	12049589	11/15/2018	28.00
	278145741	12055021	11/15/2018	47.00
	278170458	12064569	11/16/2018	47.00
	278218043	12083526	11/16/2018	10.00
	278218043	12083526	11/16/2018	47.00
	278348057	12154117	11/17/2018	42.00
	278612840	12341693	11/18/2018	16.00
	278612840	12341693	11/18/2018	40.00
	278688587	12402063	11/19/2018	47.00
	278759267	12445020	11/20/2018	28.00
	278939180	12524477	11/21/2018	10.00
	278939180	12524477	11/21/2018	47.00
	278939180	12524477	11/21/2018	47.00
	278960318	12531703	11/22/2018	47.00
	278967077	12532931	11/22/2018	47.00
	278963813	12533026	11/22/2018	47.00
	278974223	12535718	11/22/2018	32.00
	278990963	12537251	11/22/2018	47.00
	279148328	12590175	11/23/2018	47.00
	279253040	12645233	11/24/2018	10.00

**PROPEL TRAMPOLINES LLC****Open Invoices for Kmart, Sears, and Sears Online**

Through October 24, 2018

	<b>P. O. #</b>	<b>Invoice # or ID #</b>	<b>Due Date</b>	<b>Amount Due</b>
	279253040	12645233	11/24/2018	47.00
	279255179	12645373	11/24/2018	14.00
	279281402	12652505	11/24/2018	47.00
	279379691	12706065	11/25/2018	47.00
	279379691	12706065	11/25/2018	47.00
	279394088	12711024	11/25/2018	47.00
	279993575	12881468	11/28/2018	47.00
	279993575	12881468	11/28/2018	47.00
	280134419	12938914	11/29/2018	47.00
	280170335	12953541	11/30/2018	28.00
	280222250	12972582	11/30/2018	10.00
	280222250	12972582	11/30/2018	47.00
	280261106	13011090	11/30/2018	10.00
	280450577	13137357	12/2/2018	47.00
	280575938	13224057	12/3/2018	10.00
	280575938	13224057	12/3/2018	47.00
	280675601	13293765	12/4/2018	47.00
	280852523	13391400	12/6/2018	38.00
	280852523	13391400	12/6/2018	28.00
	280917680	13421299	12/7/2018	47.00
	280995990	13480385	12/7/2018	47.00
	280995990	13480385	12/7/2018	47.00
	281079438	13541752	12/8/2018	15.00
	281687673	13807490	12/12/2018	47.00
	281761974	13844000	12/13/2018	47.00
	281808399	13877282	12/13/2018	47.00
	281977494	13999985	12/15/2018	28.00
	282272817	14139902	12/16/2018	47.00
	282353061	14198825	12/17/2018	47.00
	282669954	14304070	12/18/2018	47.00
	282766866	14370877	12/19/2018	47.00
	282867396	14432038	12/20/2018	47.00
	282867396	14432038	12/20/2018	47.00
	283073187	14501434	12/21/2018	47.00
	283187445	14568218	12/22/2018	60.00
	283234110	14604714	12/23/2018	47.00
<b>Sears Online Total Amount Outstanding</b>				<b>3,517.00</b>
<b>Kmart, Sears, and Sears Online Grand Total Amount Outstanding</b>				<b>424,538.80</b>